



NASFAA 2004 Federal Update

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President's Budget

FY '05

(2005-2006)

Title IV Program Budgets Appropriations

Program	FY 2004 (AY 04-05)	FY 2005* (AY 05-06)	FY 2005** (AY 05-06)
Pell Grant \$ (Max Award)	12,006,738,000 \$4,050	\$ 12,863,000,000 \$4,050	\$ 12,830,000,000 \$4,050
FSEOG \$	770,455,000	\$ 770,455,000	\$ 794,455,000
FWS \$	998,502,000	\$ 998,502,000	\$ 998,502,000
Perkins \$ (Cancellations)	98,764,000 66,665,000	\$ - 66,665,000	\$ - 66,665,000
LEAP \$	66,172,000	\$ -	\$ 66,172,000

* President's FY 05 Budget Submission

** House Appropriations

Title IV Program Budgets Aid Available

Program	FY 2004 (AY 04-05)	FY 2005* (AY 05-06)	FY 2005** (AY 05-06)
Pell Grant (Max Award)	\$ 13,042,000,000 \$4,050	\$ 12,803,000,000 \$4,050	\$ 12,803,000,000 \$4,050
FSEOG	\$ 975,000,000	\$ 975,000,000	\$ 1,005,500,000
FWS	\$ 1,196,000,000	\$ 1,196,000,000	\$ 1,196,000,000
Perkins	\$ 1,263,000,000	\$ 1,137,000,000	\$ 1,137,000,000
LEAP	\$ 169,000,000	\$ -	\$ 169,000,000
Loans	\$ 52,197,000,000	\$ 56,917,000,000	\$ 56,917,000,000
TOTAL	\$ 68,842,000,000	<u>\$73,028,000,000</u>	<u>\$73,227,500,000</u>

FY 2005 Budget Request Programmatic Changes

- **\$33 Million for “Enhanced Pell Grants”**
- **Address Campus-Based Formula Issues**
- **FWS Community Service Reserve**
- **Address Needs of Distance Learners**
- **Modify “Drug Eligibility” Rule**

FY 2005 Budget Request Programmatic Changes

- **Disbursement Relief for Low CDR Schools**
- **Increase Teacher Loan Forgiveness**
- **Increase Loan Limits for 1st Year Students**
- **Retain Variable Interest Rates**
- **Broaden Repayment Options**
- **Require Insurance Fee**
- **Phase Out Above-market Special Allowance**
- **Reserve \$3 Billion for Other Changes**



Reauthorization



Reauthorization House Passed

**H.R. 438 – Teacher Recruitment and
Retention Act – July 9, 2003**

H.R. 2211 – Ready to Teach Act – July 9, 2003

**H.R. 3076 – Graduate Opportunities in Higher
Education Act – October 23, 2003**

**H.R. 3077 – International Studies in Higher
Education Act – October 21, 2003**

Reauthorization In Committee

**H.R. 3039 – Expanding Opportunities in
Higher Education Act**

**H.R. 3311 – Affordability in Higher
Education Act**

**H.R. 4283 – College Access and
Opportunity Act**

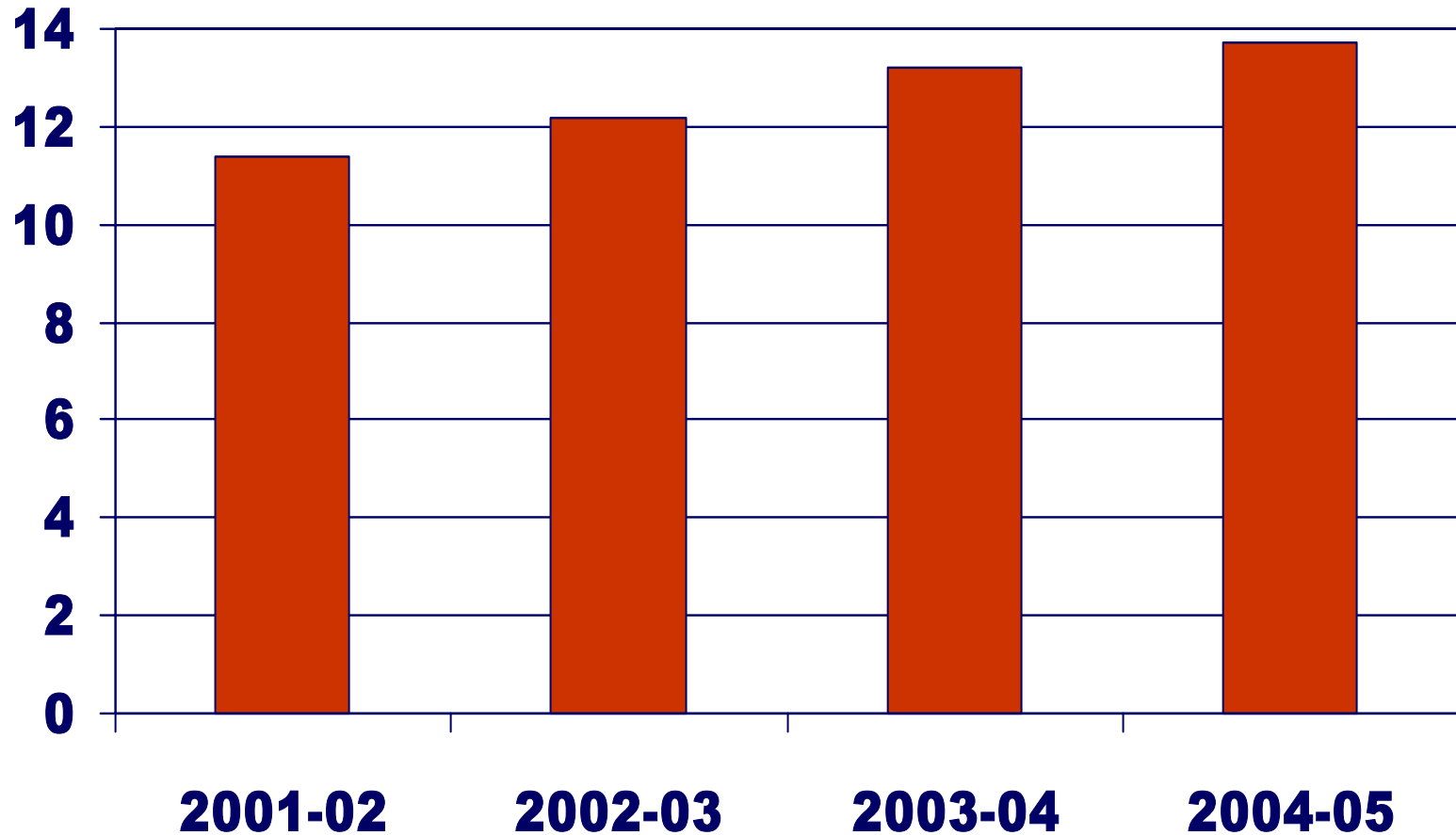


Application Processing Statistics



Total FAFSA's

2001-02 – 2004-05

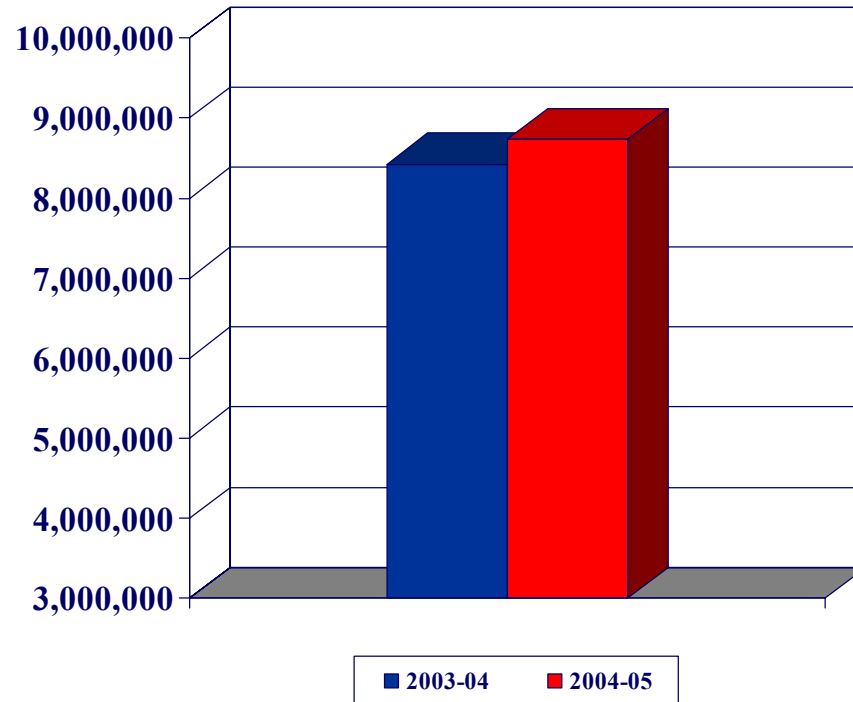


Application Processing Statistics

FAFSAs Processed

2003-2004 vs 2004-2005

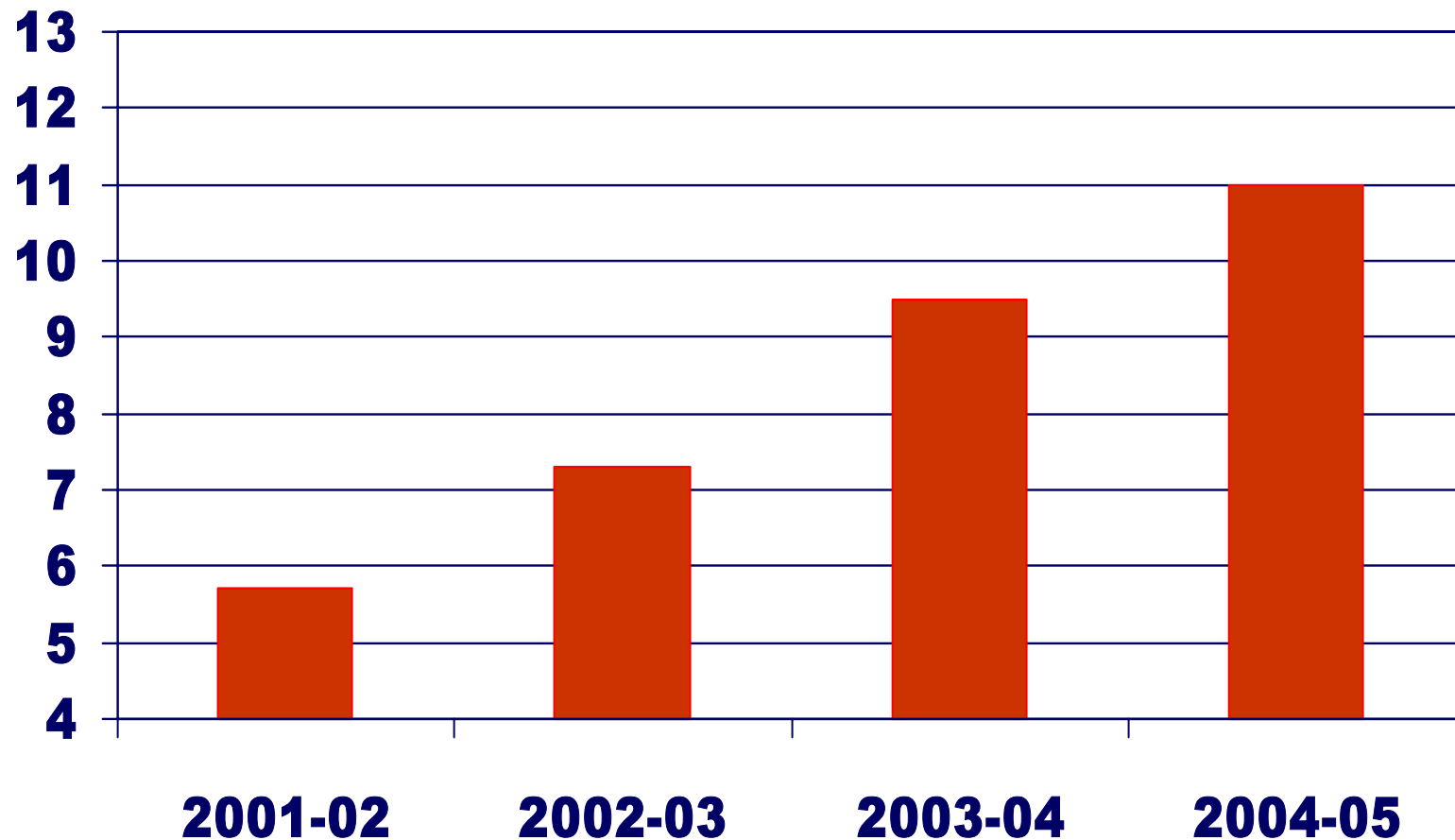
- **8,424,820**
2003-04 FAFSAs
processed as of
July 4, 2003
- **8,728,399**
2004-05 FAFSAs
processed as of
July 4, 2004



That's a 3.6% increase!

Electronic FAFSA's

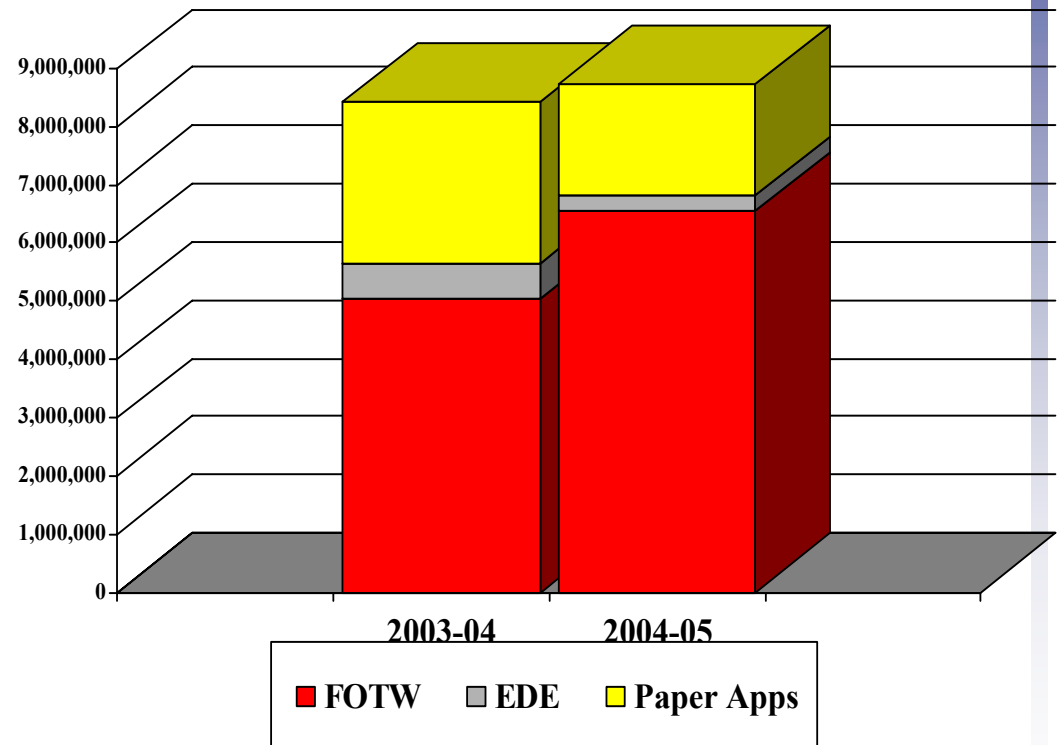
2001-02 – 2004-05



Application Processing Statistics

Electronic Volume 2003-2004 vs 2004-2005

- 5,650,086
2003-04 FAFSAs
filed electronically
as of July 2, 2003
67% of all Apps
- 6,808,902
2004-05 FAFSAs
filed electronically
as of July 2, 2004
78% of all Apps



That's a 20.5% increase!



CPS Changes

Secondary EFC

- **Primary EFC – EFC applicant is statutorily entitled to.**
 - **Regular EFC – Uses All data**
 - **Simplified Needs Test EFC– Uses All Data Except Assets**
 - **Auto Zero EFC – Set to zero regardless of other data**
- **Secondary EFC – Calculated when the data on the application support an EFC calculation under the Simplified Needs Test (SNT) and there is sufficient data to calculate a ‘Regular’ EFC.**

Secondary EFC

- **Secondary EFC will still be reported on ISIR, but –**
 - **May not be used to pay Title IV aid**
 - **If flagged on COD record, will be ignored**
- **If student not eligible for SNT (or auto Zero) –**
 - **Corrections to records must be submitted to CPS, and**
 - **Payment made on resultant transaction where primary EFC will be reported.**

SSN Match

- **HEA requires match with SSA**
- **Important that identifiers be accurate**
 - **Same as SSA**
- **Identifiers flow through aid processes**
 - **FAFSA to CPS to ISIR to school**
 - **School to COD (Pell and DL) or FFEL**
 - **School, COD, or FFEL to P-Note**
 - **Lender (DL or FFEL) to Loan Records**

SSN Match

- **CPS Processing for 2004-05**
 - SSN not in SSA Database – Hard Reject
 - SSN for Deceased Person – Hard Reject
 - DOB does not match SSA – Verifiable Reject
 - Name does not match SSA – “C” Flag ISIR
- **Probable Change for 2005-06**
 - SSN not in SSA Database – Hard Reject
 - SSN for Deceased Person – Hard Reject
 - DOB does not match SSA – Verifiable Reject
 - Name does not match SSA – Verifiable Reject
- **Verifiable rejects become “C” Flag ISIRs**



System Requirements



System Requirements

- **Dear Partner Letter—**
 - **Minimum and Optimal Requirements for Desktop PC**
 - **ISIRs**
 - **COD**
 - **DL**
 - **Summer '04**
 - **For 2005-2006 Processing**
 - **Letter to School CEO???**

System Requirements

Minimum

IBM Compatible
1.2 GHz Speed
512 MB RAM
60 GB Hard Drive
56 Kbps Modem
3.5/1.44 MB Disk Drive
SVGA Monitor
Windows Keypad
Laser Printer (8.5 x 11)
48x CD-ROM Drive

Optimal

Intel/AMD Compatible
Pentium 4 – 2.80 GHz
1 GB SDRAM
80 GB Hard Drive
DSL Line or High Speed
3.5/1.44 MB Disk Drive
SVGA Monitor
Windows Keypad
Laser Printer (8.5 x 11)
48x CD-ROM Drive

System Requirements

Operating Systems

FSA Supports –

- **Windows 2000**
- **Windows XP Professional**

FSA Supports Until July 1, 2006 –

- **Windows 98**
- **Windows 98SE**
- **Windows ME**

FSA Does Not Support –

- **Windows 95**
- **Windows XP Home**



Upcoming ED Conferences



Upcoming ED Conferences

Software Developers Conference

Arlington, Virginia

August 19 –20

2004 Electronic Access Conferences

Orlando, Florida

November 1 to November 4

Las Vegas, Nevada

November 30 to December 3

Spring Conference

Reno, Nevada

March 22 to March 24



Recent Notices, Announcements, and Letters



Recent Federal Register Notices

- **Jul 13 Paul Douglas Scholarships Report**
- **Jul 8 2003-04 Deadline Date Correction**
- **Jun 29 Javitz Fellowship Deadline**
- **Jun 17 2005-06 Need Analysis Tables Update**
- **May 11 Approved ATB Tests**
- **Mar 31 eZAudit Requirements**
- **Mar 15 2004-05 Campus Based Deadlines**
- **Mar 10 2003-04 Application and Pell Deadlines**

Recent Training Announcements

- **ANN-04-07 (Jul) On-Line DL, COD, and Recon**
- **ANN-04-06 (Jun) EDExpress On-Line Training**
- ANN-04-05 (May) Training Registration System**
- **ANN-04-04 (May) Training Registration Down**
- **ANN-04-03 (May) EDExpress Modules Program**
- **ANN-04-02 (Feb) EDExpress Modules Basics**
- **ANN-04-01 (Feb) One-Day Training- Apps**

Recent Letters – Loan and General

- **FP-04-05 (Apr) FFEL Consolidation**
- **GEN-04-07 (Jul) Ombudsman Contact Info**
- **GEN-04-06 (Jul) XML Schedule**
- **GEN-04-04 (Feb) Disaster Letter**
- **GEN-04-03 (Feb) Return of Title IV Aid**
- **GEN-04-02 (Jan) Education Savings**
- **GEN-03-13 (Nov) Consolidation Loan App**
- **GEN-03-12 (Oct) NSLDS Calculations**
- **GEN-03-11 (Sep) Student Aid on the Web**
- **GEN-03-08 (Jul) Long-Term Debt**
- **GEN-03-07 (May) Dependency Overrides**

Recent Letters-Campus Based

- **CB-04-09 (Jun) 2005-06 FISAPP**
- **CB-05-08 (Jun) 2003-04 CB Reallocation**
- **CB-04-07 (May) Perkins Loan Cancellations**
- **CB-04-06 (Apr) 2002-03 Close Out**
- **CB-04-05 (Mar) 2004-05 FWS C/S Waivers**
- **CB-04-04 (Mar) 2004-05 Final Awards**
- **CB-04-03 (Mar) 2005-06 FISAP Changes**
- **CB-04-02 (Jan) Work Colleges Program**
- **CB-04-01 (Jan) 2004-05 Tentative Awards**



Things to Remember and Upcoming Letters



Things to Remember

- **NSLDS Enrollment Reporting – SSCR**
- **NSLDS Transfer Monitoring**
- **Return of Title IV Aid Transactions**
- **Release of Credit Balances**
- **Use of eNotes**
- **Reporting of Foreign Gifts (DCL-95-12)**
- **Uncashed Checks**
- **Defaulted Perkins Loans**
- **Proper Use of FSA PIN**



IRS Match



IRS Match

Two Words to Remember --

“Uncertainty”

“ Collaboration”

What is the FAFSA – IRS Match?

A FAFSA – IRS Match would compare selected data from an applicant's FAFSA with comparable data submitted by the taxpayer to the IRS:

- **Adjusted Gross Income**
- **Taxes Paid**
- **Total Earnings from Employment**
- **Filing Status (e.g., single, married)**
- **Type of Tax Form (e.g., 1040, 1040A, 1040EZ)**

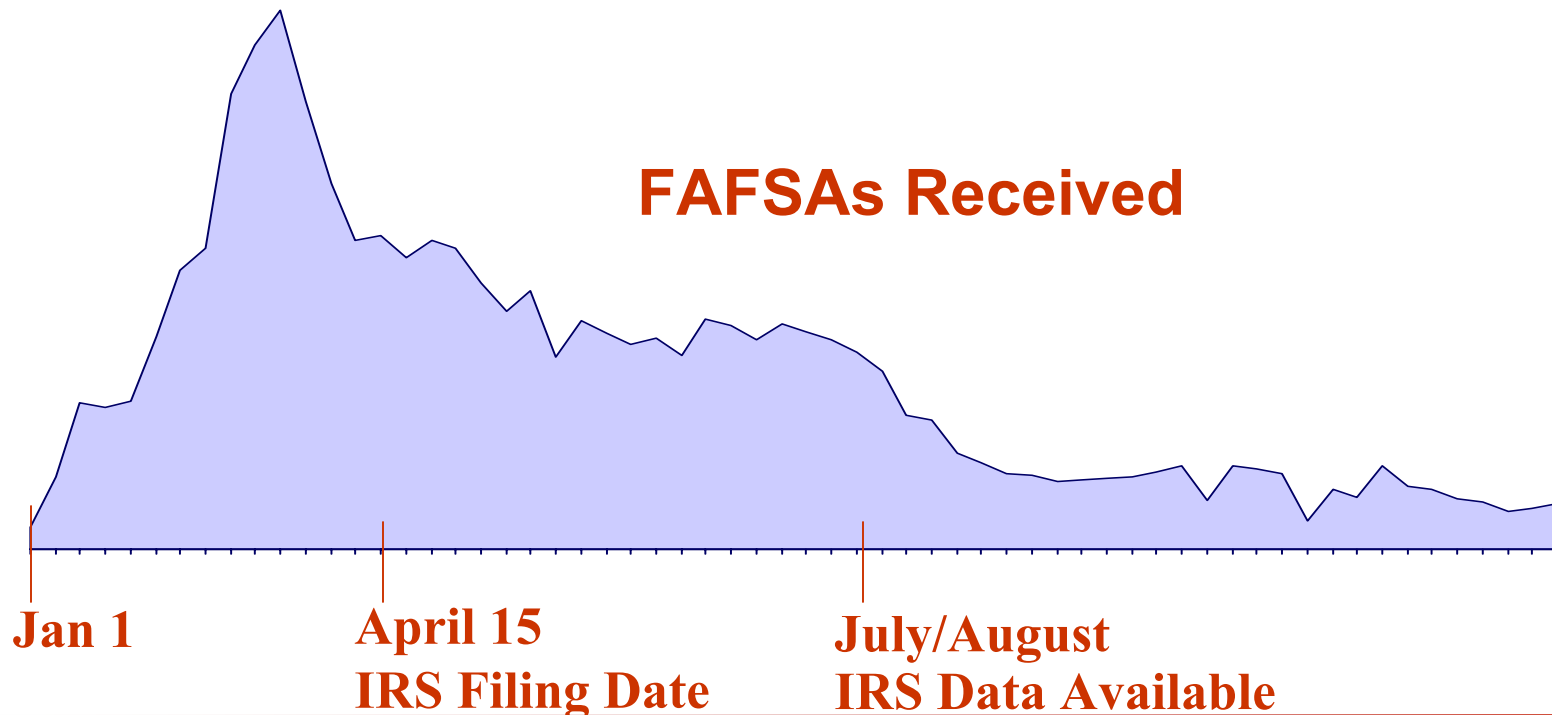
What is the Legal Status of a FAFSA – IRS Match?

- **1998 HEA Reauthorization**
 - Internal Revenue Code Section 6103
- **HR 3613 – the “Student Aid Streamlined Disclosure Act of 2003”**
 - Introduced November 21, 2003
 - House Ways and Means Subcommittee on Oversight
 - Invitation to Comment

Challenges to Implementing a FAFSA – IRS Match?

■ Calendar Issues

- Tax Year and IRS Filing vs FAFSA Processing
- Availability of Tax Data and Award Year



Change of Application Process Mindset

FAFSA is a “two-step” process

- **File FAFSA as soon as possible**
- **Update tax data as soon as returns are filed with IRS**
- **Reminder E-mails**

Challenges to Implementing a FAFSA – IRS Match?

- **Legal Authority Issues**
 - **Use of Contractors**
 - **Release of Actual Data vs. “Fact of Discrepancy” to schools**
 - **Informing Applicant/Taxpayer**
 - **School’s Third Party Servicers**

Challenges to Implementing a FAFSA – IRS Match?

- **Other Issues**
 - **SSN Mismatches**
 - **Late Tax Filers**
 - **Changes in Marital Status**
 - **Amended Returns**
 - **Non-filers**
 - **Applicants from Puerto Rico**
 - **Applicants with Foreign Tax Returns**
 - **Subsequent Corrections**
 - **Professional Judgment Changes**

Comments, Suggestions, Offers

**We appreciate your feedback,
comments, and suggestions. Please e-
mail your thoughts and ideas to:**

E-mail: irsmatch@ed.gov



Thank You

